(c) and (d) Advertisement inviting Expressions of Interest have been issued on 6th April 2002 for the following Delhi-based hotels of India Tourism Development Corporation Limited (ITDC) :—

| Sl. No. | Name of property | Category / No. of room | Minimum net worth criteria for Bidders (Rs.) |
|---|---|---|---|
| 1. | Hotel Kanishka, New Delhi | Classic-317 rooms | 35 crores |
| 2. | Indraprastha Hotel, New Delhi | Comfort-558 rooms | 10 crores |
| 3. | Ranjit Hotel, New Delhi | Comfort-186 rooms | 35 crores |

**Criteria fixed for bidding**

†3484. SHRI RAM JETHMALANI:
SHRI RAJIV RANJAN SINGH 'LALAN':

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government have fixed the criteria for the institutions bidding for disinvestment in PSUs.

(b) if so, the details thereof;

(c) whether it is a fact that several organisations have been disqualified for bidding for disinvestment during the last two years; and

(d) if so, the names of such organisations alongwith the reasons for their disqualification?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) Yes, Sir.

(b) Ministry of Disinvestment *vide* its guidelines dated 13th July, 2001 have laid down criteria for qualification / disqualification of bidders. A copy of the guidelines is annexed (*see* below). The prospective bidders / interested parties not satisfying the eligibility and requisite qualification criteria are not allowed to bid.

(c) No, Sir.

(d) Does not arise.

†Original notice of the question was received in Hindi.

***Statement***

*Copy of the Guidelines for qualification of Bidders interested in PSE disinvestment*

No. 6/4/2001 DD-II
Government of India
Department of Disinvestment

Block 14, CGO Complex
New Delhi
Dated 13th July, 2001

OFFICE MEMORANDUM

*Subject:* Guidelines for qualification of Bidders seeking to acquire stakes in Public Sector Enterprises through the process of disinvestment

Government has examined the issue of framing comprehensive and transparent guidelines defining the criteria for bidders interested in PSE disinvestment so that the parties selected through competitive bidding could inspire public confidence. Earlier, criteria like net worth, experience etc. used to be prescribed. Based on experience and inconsultation with concerned departments, Government has decided to prescrible the following additional criteria for the qualification / disqualification of the parties seeking to acquire stakes in Public Sector Enterprises through disinvestment:—

(a) In regard to matters other then the security and integrity of the country, any conviction by a Court of Law or indictment / adverse order by a regulatory authority that casts a doubt on the ability of the bidder to manage the public sector unit when it is disinvested, or which relates to grave offence would constitute disqualification. Grave offence is defined to be of such a nature that it outrages the moral sense the community. The decision in regard to the nature of the offence would be taken on case to case basis after considering the facts of the case and relevant legal principles, by the Government.

(b) In regard to matters relating to the security and integrity of the country, any charge-sheet by an agency of the Government / conviction by a Court of Law for an offence committed by the bidding party or by any sister concern of the bidding party would result in disqualification. The decision in regard to the relationship between the sister concerns would be taken, based on the relevant facts and after examining whether the two concerns are substantially controlled by the same person / persons.

(c) In both (a) and (b) disqualification shall continue for a period that Government deems appropriate.

(d) Any entity, which is disqualified from participating in the disinvestment process, would not be allowed to remain associated with it or get associated merely because it has preferred an appeal against the order based on which it has been disqualified. The mere pendency of appeal will have no effect on the disqualification.

(e) The disqualification criteria would come into effect immediately and would apply to all bidders for various disinvestment transactions, which have not been completed as yet.

(f) Before disqualifying a concern, a Show Cause Notice why it should not be disqualified would be issued to it and it would be given an opportunity to explain its position.

(g) Henceforth, these criteria will be prescribed in the advertisements seeking Expression of Interest (EOI) from the interested parties. The interested parties would be required to provide the information on the above criteria, along with their Expressions of Interest (EOI). The bidders shall be required to provide with their EOI an undertaking to the effect that no investigation by a regulatory authority is pending against them. In case any investigation is pending against the concern or its sister concern or against its CEO or any of its Directors / Managers / employees, full details of such investigation including the name of the investigating agency, the charge / offence for which the investigation has been launched, name and designation of persons against whom the investigation has been launched and other relevant information should be disclosed, to the satisfaction of the Government. For other criteria also, a similar undertaking shall be obtained alongwith EOI.

(A.K.Tewari)

Under Secretary to the Government of India

To

As per list attached.